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INFORMATION REPORT

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COUNTRY Latin America

SUBJECT Inflation in Latin America

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INTRODUCTION AND SUMMARY

This report, based on monitored foreign broadcasts (primarily Latin American) of 1 May 1947 - 15 August 1947, provides information, necessarily fragmentary, on inflation in Latin American countries.

A. ARGENTINA

Government measures aimed at the control of speculation through the regulation of prices have been described in an AEP transmission from Paris as "radical." The anti-speculation measure promulgated in early May fixed prices on articles of prime necessity, defined methods for the fulfillment of the law and assigned responsibility of various Government departments for the implementation of the measure. Toward the end of June, further steps were taken, notable among which is Government "expropriation of all manufactured merchandise in stock or in process in factories, establishments or shops handling textiles, footwear, and hats for direct sale." President Peron, in an 18 July radio address, revealed that "articles of clothing showed the greatest increase in prices."

In carrying out price control measures, the Federal Police has been placed in charge, to the extent of inspecting shops to see that the pricing regulations are followed and of arresting those merchants violating the required procedures of displaying ceiling prices on their merchandise.

The Buenos Aires radio mentions a few specific commodities on which prices have been or will be set. These include unhulled rice, "foods," cotton and woolen goods, rayon wool and cotton garments, and footwear. On 7 August it was announced that there would be no "maximum prices set on corn meal, vinegar, kindling wood and coal."

The Rent Control Board has "ordered the establishment of day and night patrols (brigades) to carry out surprise inspections of lodgings" for violations of rent ceilings.

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**B. BRAZIL**

Brazil's inflationary problems, as presented by local radios, center about the Government's program to stabilize the cruzeiro through the control of the Bank of Brazil's gold reserves. This is "designed to reduce speculation, to control prices on the internal market and to maintain prices of imports" at quoted levels set by the Bank.

Two broadcasts made specific mention of necessary price increases of meat and gasoline.

The Rio radio on 9 July reported that the trade balance for the first four months of 1947 was "twice as unfavorable compared with the same period last year."

**C. CHILE**

Chile's economic situation was evaluated by President Videla in his 30 April address when he observed that the Government was forced to take steps to control the inflation "sweeping the country." Several broadcasts describe the progressive efforts of the Government to stabilize prices on both commodities and public services and consider the advisability of wage increases for certain groups of employees.

Commodities and services which the Government has specified for price control are: cotton articles, wheat, butter, milk, meat, gas, electricity, and telephone service.

Regarding foreign exchange, it was reported on 6 June that the dollar fell a few centavos, to 46 pesos, 25 centavos; on 17 June it was quoted at 48 pesos, 65 centavos.

**D. MEXICO**

Inflation in Mexico, according to local broadcasts, has occasioned price controls on imports, particularly luxury items, as well as price-fixing of domestically produced basic staples.

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The Federal District, (Mexico, D.F.) is apparently the center of Mexico's inflationary problems, according to the local radio. Bread and meat are noted as the chief commodities which have suffered "ridiculously high increases in price." The Commission of Supply and Vigilance of the Federal District is reportedly active in indicting infractions of price ceilings on bread and tortillas, groceries, and coal.

**E. ECUADOR**

The local radio in Ecuador discloses that the country's chief inflationary problem grows out of speculation on imports. The Central Bank of Ecuador is required to furnish dollars for only essential and semi-essential imports.

The creation of a National Monetary Fund is expected to aid in the solving of import-control regulations and in curtailing the drainage of gold reserves. "A proposal for the early amortization of the Government's debt to the Central Bank has been well-received."

**F. COLOMBIA**

The Colombian Minister of Labor disclosed in May that the world-wide economic inflation was felt in Colombia. Two broadcasts also report a fiscal deficit in the national budget; a Bogota transmission notes the deficit as 26 million pesos, while the London radio says that it is 43 million pesos.

**G. PERU**

Peru's inflationary situation is evidenced in radio announcements describing some of the aspects of the Government program against speculation in food prices. One broadcast listed the price ceiling on margarine.

**H. CUBA**

CCCX Havana reports that "while a wave of speculation causes the prices of necessary articles to rise, consequently reducing the real salary of the worker, an increase in the income of the worker becomes absolutely indispensable. (10 July)

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I. URUGUAY

Broadcasts report an unfavorable Uruguayan trade balance as well as a fall in the value of Uruguay's peso relative to the dollar.

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## BROADCAST EXCERPTS

A. ARGENTINA1. Government Measures for the Control of Inflation and Speculation:

"An anti-speculation bill was approved by the Chamber of Deputies. The bill is aimed at repressing the artificial rise in prices for articles of prime necessity. The Executive Power is authorized to arrest violators. Foreigners may be given penalties up to deportation. The Government will publish daily the list of violators and the penalties applied.... The new law is of an emergency nature and will be in effect for 2 years beginning on the date of its enactment." (LRS, BUENOS AIRES, 1 May 1947)

"The law on repression of exchange speculation, speculation, and abusive prices has been promulgated. The Minister of the Interior has hastened to (take measures) to coordinate the various departments for the exact fulfillment of the law. These official departments, which will seek a thorough solution to the problem of speculation, include the secretariats of Industry and Commerce, of Labor and Social Welfare, the municipality, the court for applying sanctions, and the police. In each case of infraction of the law, the necessary measures will be applied after consultation with the Economic and Social Council." (LAL7, BUENOS AIRES, 5 May 1947)

"Buenos Aires--The campaign against speculation in currency which was begun by the Government in the Federal Capital, has been extended to the interior of the country through the intermediary of the Ministry of the Interior, which has authorized Provincial Governments and Governors of the Territories to apply the respective law throughout their areas in order to suppress these infractions, as well as excessive prices. Meanwhile in the Capital, the Secretary of Industry and Commerce suspended several export firms because of fraudulent maneuvers." (LAL7, BUENOS AIRES, 22 May 1947)

"Sr. Miranda, (President of the Banco Central) spoke on the subject of the economic board and on inflation. He pointed out that the Argentine people has reached its majority age, economically speaking, and has the right to direct its own economy, and at least, in order to avoid its being directed from the outside. Later he referred to the causes of inflation and suggested securing property from capital instead of paying out services and property as a measure of fighting it.... He concluded by saying that up until now, we are fulfilling the directive function which history imposed on the wealthy classes, and which they did not know how or didn't want to fulfill." (LRA1, BUENOS AIRES, 29 May 1947)

President Peron said "there are many offers from employer groups to reduce present prices. When these prices were concretely established in the meeting to be held next week, determined equitably and definitely by the industrial and business interests themselves and considered as equitable and definite by the Government, the latter will demand a strict observance of these prices." (LAL7, BUENOS AIRES, 31 May 1947)

"At the 29 May Cabinet meeting, it was definitely decided that the Chief Executive should take over the direction of the large-scale program against speculation and stock-jobbing. In carrying out these duties, the President will consult frequently with the National Economic Council, the staff of the technical secretariat of the Executive Office, the Ministry of the Interior, the Federal Prefecture of Police, and the Under Secretary of Information." (LRX, BUENOS AIRES, 29 May 1947)

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"Buenos Aires--For the purpose of fighting the rise in prices the Argentine Government has adopted radical measures. A decree provides, among other things, that the Government will take possession of all the stocks and production of the textile industries, fixing the sale price. Similar measures have been decreed for the shoe industry. It is considered that prices will thus decrease by 50 percent. The authorities are planning to extend these measures to other industries making articles for ready consumption. A reduction of 20 percent has been imposed on movie admission prices." (PARIS, AFP, FRENCH SERVICE, IN MORSE TO CANADA AND MEXICO, 12 June 1947)

"At a press conference President Peron outlined the Government measures undertaken against speculation:

"First, the expropriation today of all manufactured merchandise in stock or in process in factories, establishments or shops handling textile, footwear, and hats, for direct sale.

"Second, loans by the Mortgage Bank for 100 percent of the value of the work planned up to 30,000 pesos, and 60 percent on the difference up to 90,000 pesos to owners of real estate capable of being enlarged by means of the construction of new floors.

"Third, a 20 percent reduction in the price of popular moving picture shows.

"Fourth, a bill to free from increased territorial and municipal taxes owners who take advantage of the preceding decree and owners who, without resorting to the bank, increase their rentable units. For its part, the rent commission is reevaluating rooms, apartments, and houses, and has secured reduction in more than 10,000 cases.

"Fifth, municipal intervention in the market of supplies.

"The foregoing declaration estimates that the reduction in clothing prices will be 50 percent, lodging 17 percent, picture shows 20 percent. These reductions will amount to a 23 percent reduction in the budget of the working family." (LQI7, BUENOS AIRES, 12 June 1947)

"Strong antispeculation measures have been adopted in Cordoba Province. Several establishments have been fined or closed for up to a month." (LRA/LRX, BUENOS AIRES, 23 June 1947)

"Consumers, in this new campaign which we start to lower the cost of living, I thought it convenient to talk to you directly on the issues and to urge your cooperation. General Peron has expressed clearly the difference between the real causes of high prices and inflation in general and the secondary or artificial causes. The Federal Police charged by the Government to enforce the regulations against speculation and stock-jobbing, will act against the artificial causes, that is, the merchants without scruples and those industrialists and manufacturers who, in their desire to make fast and unwarranted profits, forget their duty to the people and the Nation. It is against these speculators and individuals that the Federal Police will act according to the law.

"The public has been reducing its purchases of many articles, awaiting Government action in connection with the lowering of prices. This action has now been taken. How will the public know what the authorized prices are? The Executive has adopted various measures, based in principle on certain base prices and allowing for mark-ups, which are different with certain kinds of articles. In accordance with these decrees, merchants, wholesalers or retailers, are not permitted to sell articles

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falling under the jurisdiction of these decrees at higher than the authorized profits, which are calculated in percentages of their respective prices. The total margin can never surpass 40 percent. ...

"On July 23, when the shops open, all prices of regulated articles must be in line with the above-mentioned decrees. As with regard to food, present prices will be maintained, and as long as these prices are not officially modified, strict compliance and observance of these prices is necessary.

"This campaign against speculation will not be won in one day, and unrelenting energy is necessary. The Federal Police will do all it can to see that violators of the provisions of the decrees are brought swiftly to justice." (LRA/LRX, BUENOS AIRES, 24 July 1947)

"The Banco Central circulated the report to the credit institutions of the country which make up the system, recommending that the credit policy aimed at curbing inflation by means of restricting investments in merely speculative operations not be applied to operations of wealth and real estate or services useful to social welfare. Together with the Governor of Buenos Aires, Colonel Mercante, and other high officials, President Peron received a delegation of 400 labor leaders whom he exhorted, according to newspaper reports, not to abandon their tasks so that a solution to their problems could be found as the problems must be solved through legitimate and deliberate procedures in order to avoid inflation and the activities of the political foe who is always sowing confusion." (LQ17, BUENOS AIRES, 9 August 1947)

## 2. Commodity Prices:

"Basic prices for unhulled rice, to be paid to the producers, were fixed today by a decree dictated by the Executive Power, establishing prices higher than the previous ones." (LRS, BUENOS AIRES, 1 May 1947)

"Numerous textiles and clothing have been provisionally excluded from the applications of Decree No. 16,462. This was decided by the Mixed Commission to Suppress Speculation. Firms, in their respective fields, are obliged to maintain permanently and offer for sale the stocks of the products included in the above decree. Furthermore, a time limit of 5 working days is granted so that the firms can proceed to mark the articles they have for sale, and of 10 days to mark their remaining stocks. Each item must have a price tag with the number of the Decree, the number of the receiving bill of the merchandise, and the price of sale to the public." (LRA/LRX, BUENOS AIRES, 3 July 1947)

"Two extremely important decrees related to the campaign to normalize prices were issued today by the National Executive Power. By one decree ceiling prices are established for an extensive number of food and household articles, and by the other the norms are established under which textiles and footwear are hereafter to be merchandised. On the prices in force in all clothing and footwear factories during the month of July, 1946, the Executive Power has limited the maximum mark-up allowed to producers, as follows: Cotton goods, 15 percent; woolen goods, 5 percent; shoes, 21 percent; wool and rayon garments, 19 percent; cotton garments, 22 percent; hats, 22 percent. "On the prices resulting from the application of these percentages, wholesalers are allowed to add a maximum 15 percent mark-up and retailers a maximum of 40 percent." (LRA1, BUENOS AIRES, 13 July 1947)

In a radio address, President Peron said: "We are now at that serious and grave stage of the inflation... where the effects of that phenomenon were even greater after the War of 1914-18, because at that time the increase index reached 183, whereas at present it has not surpassed (165); on the basis, of course of the

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articles of first necessity. I would not like to end this analysis without referring to some other Latin American Nations as a point of comparison. In Brazil, the cost-of-living index increased from 100 to 267; in Mexico, from 100 to 265; in Peru, from 100 to 201; in Uruguay, from 100 to 145,.... In Argentina, as well as in other Nations, in addition to the causes of inflation, speculation exists.... Articles of clothing were those which showed the greatest increase in prices, and therefore have been given preferred attention. But that does not mean that I will neglect the increase in food prices. In reality this is a problem more connected with the wholesale margin than with the retail margin." (LRAI, BUENOS AIRES, 18 July 1947)

"There will be no maximum prices for the sale of cornmeal, vinegar, kindling wood and... coal. A decree was issued to that effect by the Executive Power. This measure tends to facilitate the supply of these articles, and due to special circumstances their free merchandising is necessary." (LRA/LRX, BUENOS AIRES, 7 August 1947)

"The National Economic Council has set a temporary official price for sugar cane at 32.50 per ton. (LRX, BUENOS AIRES, 12 August 1947)

In a radio address, Gen. Arturo Bortolotto, Chief of the Mixed Commission to Suppress Speculation said: "Therefore, merchants and some of the wilder speculators will have to be satisfied in certain cases with maximum profits of 22 percent, whereas in many previous cases they realized a 50 percent profit and in some instances even higher than that. Under the new provisions, an overcoat, for example, costing up to 190 pesos, will have to be sold at 144.90. Later on, certain price reductions will be even greater, as wholesalers and retailers exhaust their present high-priced stocks and new lower priced merchandise from the manufacturer comes for sale." (LRA/LRX, BUENOS AIRES, 24 July 1947)

### 3. Rent Control:

"Prices in houses and lodgings will be fixed and controlled, according to a resolution which was recently adopted." (LRS, BUENOS AIRES, 16 May 1947)

"Rent Control Board has ordered the establishment of day and night investigation patrols (brigadas) to carry out surprise inspections of lodgings and report on infractions of rent control regulations." (LRS, BUENOS AIRES, 22 May 1947)

"The Chamber of Deputies after approving Article 2 of the housing control bill, (including suspension of evictions until 30 June, 1949) adjourned its session until tomorrow morning." (LRS, BUENOS AIRES, 17 July 1947)

### 4. Foreign Trade:

"Liverpool--A spokesman of the Government (Import) Control Office said that Great Britain has not bought hides from Argentina since March of this year, and that it was not thinking of buying any now. The spokesman stated: 'If the Argentines offer their hides at reasonable prices, we (might) buy. But so long as Buenos Aires has fantastic ideas regarding the value of Argentine hides, we shall not buy.'" (CELL74, SANTIAGO DE CHILE, 23 July 1947)

"Referring to the Anglo-Argentine agreement on meat drawn up last year, Sr. Miranda, recently appointed president of the Argentine National Economic Council, declared today that the cattlemen of his country who refused to wait 6 months to obtain better prices for their steers did a bad piece of business, because Great Britain has paid more since then to the United States. Sr. Miranda, according to REUTERS information, indicated today that not all is going well in the Argentine economy. The workers are not working enough; the system of

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transportation is not working well; and the situation of the ports is a calamity. As a result of that, a half-million tons of wheat have already rotted for lack of means of transportation." (LONDON, IN SPANISH TO LATIN AMERICA, 31 July 1947)

### 5. Role of Federal Police in Enforcing Anti-Speculation Program:

"The Municipality of Buenos Aires has approved the order appointing Arturo Sainz Kelly as Director General of Municipal Police, and Pedro Ezcurra as Municipal Director of Supplies and Consumption, in charge of handling all matters connected with assuring the effective collaboration of municipal officials in carrying out the law against speculation." (LQ17, BUENOS AIRES, 14 May 1947)

"An important measure was adopted today by the National Government in the campaign against speculation and usury in prices. A decree gives the police powers of vigilance, inspection, and suppression. The Federal Police may call upon the personnel of other offices to assist in these functions. Personnel of the Secretariat of Industry and Commerce are authorized to act as inspectors. The procedures to be followed in each case are specified. The decree also refers to the imposition of penalties and specifies supplementary measures." (LRA, BUENOS AIRES, 30 June 1947)

"Federal Police by will of the Government decree assumed responsibility of seeing that transactions are carried out at right prices and that speculation is fought," the Chief of the Federal Police said, speaking with reference to the campaign against speculation.... "The Government of the nation has made echo of the popular will and is facing this fight.... I am sure that the Federal Police will on this occasion reach the maximum of efficiency. But the Police needs... the support of the people.... The Federal Police is determined to break any law violation and asks for people's cooperation." (LRA1, BUENOS AIRES, 7 July 1947)

"Beginning today, the regulations prescribed to combat stock-jobbing and speculation become effective. As is known, this new campaign is in charge of the Federal Police." (LRS, BUENOS AIRES, 28 July 1947)

As of July 23, all merchandise on store counters must have tags plainly showing the new prices established by recent regulations. Federal police inspectors will begin inspections of stores and places of business, and the mixed commission headed by Federal Police Chief Bertolotto will take all necessary measures to lower the cost of living. (LRX, BUENOS AIRES, 27 July 1947)

### 3. BRAZIL

#### 1. Commodity Prices and Cost of Living:

"The President of the National Oil Council confirmed a previous statement that he is engaged in doing all possible to avert new restrictive measures on the consumption of gasoline. He explained that there would be a slight increase in the price of gasoline because of the international market and the consumption demands. This does not mean a return to rationing.... The price increase will simply serve to restrict the exaggerated consumption of fuel which is occurring." (PRL7, RIO DE JANEIRO, 24 June 1947)

"Rio de Janeiro--It will soon be possible to obtain meat in this city without a rationing card. However, the price of meat will rise to 7 cruzeiros and 30 centavos per kilo for first grade meat, and 6 cruzeiros for second grade." (PRL7, RIO DE JANEIRO, 14 July 1947)

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"Rio de Janeiro--The Carioca police prevented a crowd of housewives from holding a demonstration during which they planned to march on Catete Palace and the Rio City Hall demanding that authorities relieve the high cost of living."

## 2. Bank of Brazil and Inflation:

At the session of the Federal Senate on May 3, "a requisition was presented requesting the appointment of a special commission of 3 members to study means to combat inflation." (ZXH8, RIO DE JANEIRO, 3 May 1947)

"Regarding the circular of the Ministry of Finance to all Secretariats of State concerning the need to adopt new norms for the movement of gold reserves, the Director of the Superintendence of Currency and Credit declared to the press: 'The measure merely has the aim of supplying the Bank of Brazil in order that it may be able to assure the importation of essential articles. The exchange continues to be free until a certain part destined for... that is, the banks may move 70 percent of their gold reserves, the remaining 30 percent being destined to the Bank of Brazil.'" (PRL7, RIO DE JANEIRO, 7 June 1947)

"Referring to Government measures affecting money in circulation, the Minister of Finance issued the following statement: 'The financial policies of the Government are designed to reduce inflated prices in the internal markets, and to foster the orderly expansion of production. The measures taken will have the effect of safeguarding and stabilizing the value of the cruzeiro on the international market and to reduce... speculation.'" (PRL7, RIO DE JANEIRO, 12 June 1947)

"Rio de Janeiro--"13 banks in this city are in danger of closing on account of the situation created by the restrictions which the Bank of Brazil has imposed." (ZXP8, RIO DE JANEIRO, 20 June 1947)

"Buenos Aires--LA PRENSA comments on the manner in which inflation has been combatted in Brazil and the good results obtained by the measure taken." (CELL80, SANTIAGO DE CHILE 2 July 1947)

"The Minister of Finance says that Brazil's available surpluses abroad amount to 550 million dollars (sic) distributed among several countries. This reserve is expressed in gold values. He denied that the Government is planning to devalue the cruzeiro. Confirming the existence of an underground campaign to discredit several banks, he said that the situation in general is good." (PRL7, RIO DE JANEIRO, 14 July 1947)

"The Bank Auditor's Office has ordered all banks to comply with the same rates as the Bank of Brazil in order to avoid possible exchange speculation. Consequently, sales rates for the payment of imports or deliveries must be kept in conformity with the quotations of the Bank of Brazil." (PRL7 RIO DE JANEIRO, 16 July 1947)

## 3. Luxury Imports:

Regarding the Government measure ordering the suspension of credit for all imports of luxury items, the Minister of Finance explained that "if the Government suspended the order at a time like this when industries need machinery and the means of transportation (are scarce), it would (indeed) be surprising." (PRL7, RIO DE JANEIRO, 24 June 1947)

## C. CHILE

### 1. Government Plan for Control of Inflation:

President Videla in his 30 April address said: 'In particular, I understand fully the grave danger presented by the inflation which is sweeping the country. Thousands of families are facing ruin, and the country is in the throes of serious agitation and unrest. My Government has foreseen this situation, and

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has constantly endeavored to lower the cost of living, to create a basis for stemming the inflation. I have sent to the Congress today a bill designed to combat the inflation, a bill which furthermore carries the provisions of extraordinary powers for the Government." (CEL130, SANTIAGO DE CHILE, 20 April 1947)

"The Ministry of the Treasury yesterday made a report in the Chamber of Deputies on the financial situation of the country and on the economic plan that the Government will carry out to stop inflation. Pisco Cariss' report constituted an appeal to the people to wage a ruthless war against inflation in order to solve the economic situation of the country outside all party disputes." (CEA4A, SANTIAGO DE CHILE, 7 May 1947)

"The bill establishing the economic violations will be discussed at the next meeting of the Cabinet; it will then be sent to Congress. According to the Minister of Justice, this bill provides for drastic measures (consisting) of heavy fine against those groups or individuals who obstruct the normal process of national production. The bill also provides for sanctions against all elements whose activities foment inflation.... The bill gives the President of the Republic the power to expel from the country naturalized foreigners who are found guilty of economic infringements." (CEA4A SANTIAGO DE CHILE, 13 May 1947)

"General Supply Commissariat will sign more than 300 decrees ordering the closing of business houses and bakeries in the Capital and provinces for... speculating outrageously." (CEL130, SANTIAGO DE CHILE, 17 May 1947)

"The President of the Republic presided over an important meeting which yesterday was held by the National Economic Council. Government, capital and labor representatives analyzed the causes for a rise in the cost of living. On this occasion, President Videla declared he was ready to face... realistically a fundamental change in the fixed-price policy and asked for this purpose the loyal and effective cooperation of producers and merchants, and the strong support of the community to establish new prices. ... The fixing of prices will be followed by the stabilization of salaries and concrete measures to increase production. The President made very clear that the anti-inflationist measures would in no event fall on the working class." (CEA4A, SANTIAGO DE CHILE, 23 May 1947)

"It was learned from a reliable source that the Comptroller-General of the Republic will declare illegal the Minister of Interior's decree raising service rates for mail, telephones and electric light. The Comptroller-General's office does not consider it feasible to allow validity of the decrees for a temporary period of time..... Any increase must be announced some time before they go into effect, and at least 30 days prior to becoming effective." (CEL174, SANTIAGO DE CHILE, 5 June 1947)

"Santiago—The General Commissariat of Supplies and Prices decided today to take charge of the sale of meat from the abattoir to the butcher shops.... because the industrialists did not respect the official prices in spite of the orders issued and sanctions applied." (CEL130 SANTIAGO DE CHILE, 12 July 1947)

"A bill was presented to the Chamber of Deputies by Conservative Deputy Pereira Lyons for the suppression of the Commissariat General of Supplies and Prices, and its replacement by a National Council of Supplies headed by the Minister of Finance." (CEL130, SANTIAGO DE CHILE, 18 July 1947)

"The three-party commission for the support of anti-inflationary measures met with the President.... The Commission proposed a basic workers' wage, to fix prices in accordance with the cost of living, to grant more concessions to workers unions, so that they can cooperate fully with business and obtain better pay, and to establish (norms) of production, which would reward greater effort by the workers." (CEL130, SANTIAGO DE CHILE, 29 July 1947)

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"Ministers of Finance and Economy, in a joint statement to the press, announce they will study fiscal problems of an economic nature. They declared that increased production is the essential goal of any government action, and that the first duty of the Government... is to fight inflation. ... 'We feel that they can be dealt with effectively by a definite policy of the Government based on a fiscal, social, economic system which must be adhered to with an unchangeable continuity and rigidity. Heavy obligations will have to be imposed on the (people) in order to face the present very serious fiscal situation.... The Minister of Finance will be adamant in this policy and use great caution when authorizing any kind of new expenses or new appointment." (CEA4A, SANTIAGO DE CHILE, 7 August 1947)

## 2. Commodity Prices and General Cost of Living:

"95 retailers, mostly aliens, were penalized for not observing the ceiling prices in the sale of items of prime necessity." (CE1180, SANTIAGO DE CHILE, 8 May 1947)

"Secret sessions of the Chamber of Deputies to discuss events leading to the increase of power rates were proposed by the Radical Party Committee since some of the events cannot be divulged to the public for the time being." (CE1180, SANTIAGO DE CHILE, 10 May 1947)

"The Ministry of Economy tomorrow will sign a decree fixing the maximum prices on all cotton articles in the country which will be decreased by 60 percent." (CEA4A, SANTIAGO DE CHILE, 27 May 1947)

"The Government decreed increases in rates for gas, electricity, and telephone service, effective 1 June. According to the announcement, the increases are due to the higher wages and salaries which these public utility companies have to pay out, as well as to the rising costs of raw materials." (CE1180, SANTIAGO DE CHILE, 1 June 1947)

Director of lumber association complains of the "serious problem created for the lumber industry as a result of the recent increase in railway rates." (CE1174, SANTIAGO DE CHILE, 10 June 1947)

"The price of wheat has been fixed at 362 pesos per metric quintal by the Institute of Agricultural Economy by a vote of 10 to 7." (CE1180, SANTIAGO DE CHILE, 12 June 1947)

"The President notified the various agencies and establishments which have to do with the production and marketing of wheat that the Government does not accept the new price fixed yesterday at 362 pesos per metric quintal. Senor Valdez Fontecilla asked what could be done to have the board of the Institute of Agricultural Economy reconsider yesterday's decision, fixing a different official price." (CE1180, SANTIAGO DE CHILE, 13 June 1947)

"The cost of living has risen 33 percent since April, 1946." (CE1180, SANTIAGO DE CHILE, 16 June 1947)

"Complaints are pouring in from consumers that electric light, gas, and telephone service rates have been illegally raised. The consumers have received bills covering the month of May on which the new rates were being charged. The Comptroller-General's Office has not yet given its final approval to the Government order under which the rates were raised, and the new rates cannot go into effect until such final approval has been given." (CE1180, SANTIAGO DE CHILE, 22 June 1947)

"Violations of butter price ceilings have been reported. Some retailers are selling butter at 63 pesos, 80 centavos per kilo. The official price is 40 pesos." (CE1180, SANTIAGO DE CHILE, 22 June 1947)

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"60 shops in Santiago were closed for price control and rationing law violations." (CELL180, SANTIAGO DE CHILE, 26 June 1947)

"Meat prices will be maintained as fixed by the Commissariat of Supplies and Prices, according to a statement by the Chilean Minister of Economy." (OAXA2, LIMA, 28 June 1947)

"Vice President Cuevas has called a conference of mayors of Santiago Province to discuss methods of controlling food prices." (CELL180, SANTIAGO DE CHILE, 27 June 1947)

"Higher milk prices are probable, despite the efforts of various labor organizations and the sustained press and radio campaign against a rise." (CELL174, SANTIAGO DE CHILE, 3 July 1947)

"Despite many protests, the decree raising the price of milk has been issued. Beginning 9 July a liter of milk will cost 5 pesos. The new price will be effective until 30 April, 1948, unless a series of special interests are able to obtain a new rise in the price of the basic popular food before that date." (CELL174, SANTIAGO DE CHILE, 3 July 1947)

"A new rise in the price of meat is feared. The Minister of Economy has telegraphed the Argentine Union Chamber of Exporters requesting it to order a revision of the prices established for Argentine cattle, since the purchase price has been added to by the loss in weight and the mortality losses suffered in the mountains during the time Trans-Andean traffic was interrupted. (CELL174, SANTIAGO DE CHILE, 10 July 1947)

"In EL IMPARCIAL former Deputy Jose Romero Vasquez describes the situation of the country as follows: 'We are in the midst of economic and political chaos... Prime necessities, such as housing and transportation are too high.' (CELL174, SANTIAGO DE CHILE, 11 July 1947)

"Buenos Aires - Pablo Neruda, Chilean poet and Senator, in a press conference today stated that the wage problem was the gravest one in current Chilean affairs.... In view of inflation, an increase in wages is inevitable." (CELL180, SANTIAGO DE CHILE, 27 July 1947)

"The Ministry of Finance has requested the telephone company of Magallanes to raise tariffs by 40 percent." (CELL180, SANTIAGO DE CHILE, 12 August 1947)

"The workers of every establishment of the Cervecerias Unidas Company have submitted a petition demanding a 70 percent wage increase." (CELL180, SANTIAGO DE CHILE, 12 August 1947)

#### D. MEXICO

"The Presidential order prohibiting further importation of luxury articles, a measure taken to 'save the country from a veritable economic catastrophe'... (led to the) immediate reaction of a rise in the price of various articles, notably imported liquors, imported mechanical and electrical machinery and automobiles imported from the U.S. The Government, however, will take strict measures to prevent speculation in scarce items." (XEBQ, MEXICO, D.F., 11 July 1947)

"The price control regulations contain very strict provisions to be enforced by the agents of the inspection service regarding the sale of articles, the importation of which was prohibited by the recent Presidential decree, and provisions covering the various violations of ceiling prices. A complete list of articles of prime necessity is also included in the new regulations to enable

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the authorities to exercise the closest possible control over their distribution. Strict measures will be taken in the Federal District against the black market in meat." (XEQQ, D.F., 21 July 1947)

"Biscuits (bizcochos) have recently suffered a ridiculously high increase in price.... They are selling at 10 centavos; the former price was 5 centavos. The increase has occurred because this type of bread does not fall under the price-control regulations." (XEQQ MEXICO, D.F., 21 July 1947)

"From Monday of this week until yesterday the inspectors of the Commission of Supply and Vigilance of the Federal District cited 261 infractions by a similar number of establishments which sell articles of prime necessity for violations on bread, tortillas, pastes, coal, groceries." (XDY, MEXICO, D.F., 6 August 1947)

**E. ECUADOR**

"Official announcement of the Ministry of Economy on the international exchange emergency law: 'A real economic readjustment is expected in the new system, causing a decrease in the cost of living and production. The Central Bank will supply currency for indispensable and useful imports, but not for luxury articles. For the latter, exchange will be purchased in the open market. (Editor's note: The Central Bank will furnish dollars at the rate of 15.4 sucres for essential and semi-essential imports, and will charge a premium of 5 sucres per dollar for semi-essential items.)' (HCJP, QUITO, 6 June 1947)

"Commerce is looking forward to becoming acquainted with the new regulations which have been announced. Sales continue to hold the same rhythm of distinct paralyzation and the banks have not changed their conduct of restrictive credit." (HCJB, QUITO, 3 June 1947)

"Ecuador's Monetary Board will soon be formed and the new emergency statute is the product of an aggregate of measures worked out by technicians of the International Monetary Fund. Guayaquil reports businessmen are very anxious to know the new import-control regulation designed to curtail drainage of gold reserves." (HCJB, QUITO, 6 June 1947)

A proposal for the early amortization of the Government's debt to the Central Bank has been well received." (HCJB QUITO, 7 June 1947)

"The Central Bank of Ecuador studied the new law establishing the National Monetary Fund. (HCJB QUITO, 10 July 1947)

**F. COLOMBIA**

"In Cartagena's marketplace, consumers attacked rice vendors for collecting higher prices than those fixed by price control." (BOGOTA, U.P. IN SPANISH MORSE, 19 July 1947)

"The fiscal deficit of Colombia amounts to 26 million pesos." (BOGOTA, A.P. IN SPANISH MORSE, 20 June 1947)

"The budget for 1948 has been reduced from 425 million pesos to 338 million pesos for the purpose of eliminating the national deficit of 43 million pesos." (LONDON, 6 July 1947)

**G. PERU**

"Campaign against speculation will be discussed at a conference of representatives of labor federations called by the Minister of Agriculture. Consumers

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are advised to participate in the campaign by comparing food prices with listed ceiling prices and informing the Ministry of Agriculture of discrepancies." (LIMA, 24 May 1947)

"The Ministry of Agriculture is continuing its campaign against speculation. The best way to do this is not to pay higher prices than those in the official lists for any reason and if anyone knows of suspected cases of purchases for speculation or clandestine (traffic) in food articles, to denounce them immediately, calling or sending the container to Post Office Box Zero. (LIMA, 4 August 1947)

"By order of the Ministry of Agriculture, the following prices have been set for the product known as margarine, processed in Peru: 4 soles, 75 centavos per packaged net kilo, price from producer to retailer; 5 soles, 10 centavos per packaged net kilo, from retailer to consumer." (LIMA, 7 August 1947)

#### H. URUGUAY

"The Ministry of Finance published a report on the commercial balance for the first 5 months of this year, showing an unfavorable (trade) balance of more than 21 million dollars." (CXA19 MONTEVIDEO, 15 July 1947)

"The value of Uruguayan paper money has fallen in relation to the dollar. The new quotation on the open market given by the Uruguayan Bank of the Republic raises the value of 100 dollars from 173.50 to 190 Uruguayan pesos." (LRY, BUENOS AIRES, 25 July 1947)

#### I. GUATEMALA

"The control measures for the production, sale and consumption of India rubber (instituted in April 1942) were annulled on 9 April, 1947... because the President considered that the state of emergency had disappeared." (TGWA, GUATEMALA, 29 April 1947)

"Guatemalan sugar producers will meet to discuss the possibility of freeing the product from control as soon as possible (TGWA, GUATEMALA, 9 August 1947)

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